

MEASURE PLACED ON
CALENDAR—S. 2105

Mr. REID. Madam President, there is a bill due for a second reading, S. 2105.

The ACTING PRESIDENT pro tempore. The clerk will read the bill by title for the second time.

The assistant legislative clerk read as follows:

A bill (S. 2105) to enhance the security and resiliency of the cyber and communications infrastructure of the United States.

Mr. REID. Madam President, I object to any further proceedings with respect to this bill at this time.

The ACTING PRESIDENT pro tempore. Objection is heard.

The bill will be placed on the calendar.

Mr. REID. Madam President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will be in a period of morning business until 12 noon, with Senators permitted to speak therein for up to 10 minutes each and with the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first 30 minutes and the majority controlling the second 30 minutes.

SURFACE TRANSPORTATION ACT

Mrs. HUTCHISON. Madam President, I wish to comment on the remarks of the leader just a few minutes ago.

I came to talk about the budget, which I want to do, that was produced by the President. But I will say we had a vote on going to the highway bill last week and the vote was 85 to 11. So Republicans are ready to go to the highway bill.

We have talked about what a great job Senator BOXER and Senator INHOFE did in the committee, working together, to produce a bill. Senator ROCKEFELLER and I have negotiated what is a good settlement on the Commerce part of that bill, and I think we are going to have to have separate votes on the party-line committee vote that was made in Commerce and have a compromise that I think Senator ROCKEFELLER and I will both support going forward.

But I think we just need to get on it. It is just time to go. We don't need to stand here and talk about not being able to move. Let's move. Republicans are ready. Let's go.

THE BUDGET

Mrs. HUTCHISON. Madam President, I do wish to speak about the fiscal year 2013 budget that came out this week from the President, and I guess I would start by saying here we go again. Here we go again.

We have another budget given to us by the President that increases spending and increases taxes to a huge extent. It is stunning, \$1.9 trillion in tax increases in the President's proposal over the next decade.

Instead of coming forward and giving responsible solutions to a \$1 trillion annual deficit—which is what we have, \$1 trillion. My gosh, we didn't even have debt that was \$1 trillion. Now we have debt that is almost \$16 trillion, and we are talking about more deficits?

Most important, the President didn't put anything in his budget on entitlement reform. So he gave us another budget proposal that spends too much, borrows too much, and taxes too much, which is the same thing that happened last year.

The President's request proposes \$11 trillion in gross new debt—\$11 trillion in gross new debt—over the next 10 years that would make our total national debt, if we stuck to this budget, \$25.9 trillion in 2022. Oh, my gosh, \$25.9 trillion, and we are talking about this as a serious proposal? These numbers are untenable. It is a path that is unthinkable for this country.

So \$1.4 trillion of the President's proposed tax increases over the next decade would fall on individuals. The budget that the President put forward explicitly states: Immediate broad tax cuts for the middle class are far more effective at creating jobs and growing the economy. I would agree with that. Broad tax cuts for the middle class would be effective at creating jobs and growing the economy.

But the President fails to acknowledge where the tax increases fall. It is on the people who own and work in small businesses, and they are the ones who have the ability to hire if we would let them.

According to the Joint Committee on Taxation, 50 percent of all flowthrough business income will be subject to the proposed tax increases. The National Federation of Independent Business reports that 75 percent of small businesses pay taxes on their business income at the individual tax rate because they are organized as flowthrough businesses, such as partnerships, S corporations, LLCs, and sole proprietorships. So the President is going to the heart of the potential hiring in our economy; that is, small business, and they are going to increase taxes.

I would say the constant drumbeat of this administration for new taxes is

putting a blanket on present-day potential hiring. It is putting a blanket on growth because our small businesses see the President continuing to come forward again and again and again and talk about new taxes on the people who could create jobs.

Incredibly, the \$1 trillion in new taxes doesn't even pay down the debt. It doesn't lower the deficit. The new taxes the President is proposing just increase spending. Oh, my gosh. Instead of cutting deficits and responsible spending cuts, we are talking about new taxes and new spending.

Where have we heard this before? We have heard it out of Washington, DC, for years. It is the wrong approach, and it is why we are in trouble right now with a \$15 trillion debt.

Instead, we need to have sensible spending reductions that meet the caps set under the Budget Control Act and carefully considered investments in strategic, nationally important projects that will have a long-term effect on job increases because of creativity and entrepreneurship.

We must cut spending. It is simple. That is it. We have to cut spending if we are going to get our fiscal house in order.

Most important, we need to address entitlements, which the President did not do in his budget proposal. If there is anything urgent in this country that the President should take the leadership position to do, it is a bipartisan approach to entitlement reform. Our fiscal problems are inextricably linked if we can't fix our broken entitlement system.

Today, mandatory spending—entitlements—are approximately 55 percent of our Federal budget. So we have less than half the budget in the discretionary spending that we pass appropriations for each year. If we don't take that other 50 percent and stop that growth, do you know what is going to happen?

According to the Congressional Budget Office, our mandatory spending by 2022—10 years from now—will be approximately 74 percent of total Federal spending. Over seventy percent of Federal spending will be mandatory. This is out of control.

If we are going to stop this growing deficit and debt cycle, we have to address entitlements. People are living longer than they were living when Social Security was passed in 1935, but we have not addressed that change in our demographics to make sure the program will last. The longer we put it off, the harder it is going to be. If we do not solve this problem, current and future retirees will confront a guaranteed 23 percent cut in benefits in 2036. In today's dollars, that would be a \$271 cut in a beneficiary's monthly payment. There is not anyone here who wants that to happen—we know that.

I have introduced legislation with Senator KYL, the "Defend and Save Social Security Act." It gradually increases the retirement age over 11